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## PART I: INTRODUCTION

### 1.1 Intent

To provide each LIDS user with record keeping guidelines, audit tests and performance rating criteria.

### 1.2 Responsibility

The primary responsibility for application of these guidelines rests with the sheriff/superintendent or each chief executive officer of the jail, regional jail or jail farm.

## PART II: JAIL ADMINISTRATION

### Article 1 - Good Business Practices for Jails

Good business practices for jails require that adequate operational and financial controls be in place and maintained to ensure efficient management of the facility. This is accomplished through effective procedures, training of personnel, and management review of operations including financial controls.

#### 2.1 Jail Internal Policies and Procedures Manual

1. We recommend that you develop and maintain a manual of standard operating procedures for your facility. Such a manual should be available 24 hours a day to all staff.
2. The facility's policy and procedures manual should be reviewed every 12 months by the administration to take into consideration changes in the Code of Virginia, the Appropriation Act, and in LIDS that affect the monthly reimbursement request.
3. The intent of your standard operating procedures relate to LIDS. They should be clearly written to ensure compliance with the following guidelines. You may wish to take the following into consideration as you write specific policies and procedures for your manual:
  - a. LIDS is a financial reimbursement system
    - i. The jail is a revenue center.
      1. LIDS is a computerized per diem reimbursement system that functions as a billing system for the jail.
    - ii. Local jail management systems that interface with LIDS should have the same financial controls as required for LIDS.
  - b. LIDS is a data collection system
    - i. Data from LIDS is used in establishing the staffing levels for the Jail by the Compensation Board.
    - ii. Data is recorded to a standardized statewide database of inmate information. Activities affect the money provided to the locality.
    - iii. LIDS data is used to:
      1. Forecast State Beds requirements
      2. Post Jail Contract Beds activity
      3. Post Court Order activity
      4. Forecast Local Bed usage
      5. Collect sentencing information
    - iv. LIDS data is sent to the Social Security Administration
      1. The locality receives a finder's fee of \$200 to \$400 from the Social Security Administration for identifying inmates whose Social Security Payments benefits may be terminated while incarcerated.

PART II: JAIL ADMINISTRATION (Continues--)

Article 1 - 2.1-3-b

v. Shared Activity

1. Ability to share prisoner information on a statewide basis
2. Capability to locate offenders wanted on warrants residing in other jails.
3. Reports revenue received in a more efficient manner.
  - a. Ability to verify and/or prepare invoices for payments of prisoners held for federal, state, non-local, and local entities.

2.2 Training of LIDS Technicians and Jail Staff

(see LIDS Technician responsibilities found on the Compensation Board Website in the “Sheriffs” or “Regional Jails” pages of the Policy Manual)

1. All LIDS technicians and/or staff assigned to processing LIDS activity should be trained in the basic LIDS features and operation.
  - a. It is recommended that one person who works each shift is experienced and competent in LIDS operations.
  - b. The sheriff/superintendent should ensure that when there is a turnover of the LIDS technician or staff responsible for LIDS occurs, the incumbent is adequately trained.
  - c. There should be an employee trained in LIDS activities that can fill in when the LIDS technician is on vacation, sick leave, training or otherwise not available.
2. The accuracy of LIDS data is the responsibility of jail personnel. They should:
  - a. Ensure appropriate documentation is obtained and maintained . Typically, the following documents would be found in an inmate’s file:
    1. Commitment order(s), Form #DC-352
    2. Continuance order(s)
    3. Release order(s), Form #DC-353
    4. Disposition notice(s) Form #DC- 356 and/or Court order(s),
    5. Transport order(s), Form #DC-354 or other authorizations including receipt documentation
    6. Any and all other documents which authorize or acknowledge inmate activity that has been authorized by local, state or federal law enforcement officers.
  - b. Ensure procedures are followed.
  - c. Seek more efficient operation methods.

## PART II: JAIL ADMINISTRATION (Continues--)

### Article 1

#### 2.3 Establishment of Financial and Operational Controls for LIDS

1. Jail management is responsible to ensure that request for financial reimbursement and data recorded in LIDS is accurate. Appendix B contains some of the recommended tools for your use.
2. Local procedures and practices should ensure:
  - a. Integrity of data that is batch up loaded to LIDS from a local jail management system.
  - b. Accuracy of supporting documentation processed by jail staff is recorded properly in LIDS.
  - c. Head counts by payment and non-payment categories are agreed to the Local Management System and LIDS.

#### 2.4 Local Managerial Responsibilities for LIDS

1. Management is responsible to provide all documentation necessary to support their reimbursement request. (See Glossary)
2. Management is responsible to review LIDS activity to ensure that the laws, local policies and procedures are being followed. (See LIDS Users Manual)
3. Management is responsible to ensure that all changes in the local procedures are communicated to all employees in a timely manner and to ensure the accuracy of data in LIDS.
4. Management is responsible to ensure that all personnel providing documents, data, or other interfaces with LIDS do so in a timely, efficient, and accurate manner.

### Article 2 - LIDS Access Security

#### 2.5 Access Accountability

1. It is the jail's management responsibility to protect the jail's access to LIDS. Each person that has authority to access the LIDS system is accountable for their access to the system.
2. When a SecurID key fob has been supplied to an individual authorized to access LIDS it should not be provided to others.
3. Security Identification and passwords are essentially a signature of the person assigned access. Therefore, the assignee is responsible for protecting their access and password to the system.

PART II: JAIL ADMINISTRATION (Continues--)

Article 2 – 2.5

4. Unauthorized access to the state computer system is a criminal offense. Security over the access must be maintained to prohibit unauthorized access to Commonwealth of Virginia computer systems.
5. The Compensation Board must be notified when jail staff authorized to access LIDS is re-assigned or when turnover occurs. The purpose of the notification is to document the re-assignment of the SecurID key fob and LIDS logon-id.
6. It is the jail's management responsibility to place personal computers accessing LIDS at locations that prohibit unsupervised access by unauthorized personnel.
7. If it is discovered that individual password security has been compromised, the Compensation Board's IT division must be contacted so that a new password can be assigned.

### PART III: STANDARD COMPENSATION BOARD AUDIT TESTS

#### Article 3 – Introduction

The following is a detailed listing of items you will be asked to provide and of tests that Compensation Board auditors will likely perform during a LIDS audit.

#### Article 4 - Documentation Requested During Audit

##### 4.1 Overall LIDS related standard operating procedures.

1. Organization Charts
2. Assignment of LIDS responsibilities
  - a. Job description of LIDS Technician. Responsibilities discussed should;
    - i. Ensure payment amounts and data are accurate
      1. Completeness
      2. Accuracy
      3. Timely submission
    - ii. Ensure accurate financial reporting within LIDS
      1. Accuracy of Per Diem Payments to localities and regional authorities.
    - iii. Detailed knowledgeable of legislative changes, system changes, and policy changes that affect LIDS
    - iv. Training of other LIDS users in the facility
    - v. Data accuracy is maintained between local systems and LIDS
3. Method of delegating Chief Executive Authority
  - a. Letters authorizing access to LIDS.
  - b. Letters delegating the Chief Executive authority to certify and approve monthly reimbursement request.
4. Alternative program authorization documents.
  - a. Court
  - b. DOC / DCJS
  - c. Regional Jail Board agreements to place inmate in Home/ Electronic Incarceration or Work Release Programs.

## PART III: STANDARD COMPENSATION BOARD AUDIT TESTS (Continues--)

### Article 4

#### 4.2 Management Review of Records Activity

1. Review of LIDS Reconcilements
  - a. Weekly
  - b. Bi-weekly
  - c. Monthly
2. Review of LIDS Error Reports
  - a. Weekly
  - b. Bi-weekly
  - c. Monthly
3. Review of “Possible Local Ordinances recorded as Misdemeanor Report”.
4. Review of “Possible Duplicate Report” and Commitments during the period Report.
5. Review of LIDS Financial Summary for certification and approval.
6. Review of Integrity Reports

#### 4.3 LIDS Audit Tests

The facility should maintain a record and make available to the Compensation Board auditor(s) tests (see Appendix B) completed throughout each month.

The test and records should demonstrate that sufficient verification procedures have been conducted to ensure accuracy of data entered into LIDS. They should also enable the Certifier to verify that inmate activity as submitted to the Compensation Board is accurate for reimbursement.

1. LIDS audit test
  - a. Review jail management system of internal control
    - i. LIDS Standard Operating Procedures Documentation
2. Review reconciliation Procedures and Practices test.
  - a. Test a sample of the jail’s reconcilements and test the accuracy of the records.
    - i. Reconcile Local management system with LIDS
    - ii. Reconcile physical headcount with LIDS

### PART III: STANDARD COMPENSATION BOARD AUDIT TESTS (Continues--)

#### Article 4 - 4.3-2-a

- iii. Reconcile physical headcount with Local management system headcount
  - b. Identify and report unresolved discrepancies to management.
3. Compensation Board auditors develop statistical samples of LIDS data for the audit period and perform the following tests:
- a. LIDS Demographic Sample Test
    - i. Typically, the sample will be provided to the jail when the auditor's arrive on site.
    - ii. Compare the sample record source document data to LIDS data entered on the LIDS system for accuracy of entry.
      - 1. Name
      - 2. SSN
      - 3. Committal Date & Time
      - 4. Reason Confined Including:
        - a. Federal
        - b. Out of State
        - c. Alternative Programs
        - d. Held by Agreement
      - 5. Offense Type
      - 6. Offense Code
      - 7. All offense Codes Recorded Correctly
      - 8. Sentence Length Recorded Correctly
      - 9. Total days Incarcerated Correct
      - 10. Dollars Reimbursed Correct for Number Days Incarcerated.
      - 11. Reason Released Code Correct
      - 12. Date Released
      - 13. Sentence Offense Code
      - 14. Sentence Date
      - 15. Offense Date
      - 16. Jurisdiction Code
      - 17. Bonus Start Date
      - 18. Felon Days
      - 19. Felon Dollar Payment
      - 20. Transfer Code
      - 21. Pending Charges
      - 22. Total State Days
      - 23. Total State Dollars Payment
      - 24. Jail Contract Bed Days
      - 25. Jail Contract Dollars Payment
      - 26. Eligibility for Alternative Programs
    - iii. Identify and report unresolved discrepancies to management.

### PART III: STANDARD COMPENSATION BOARD AUDIT TESTS (Continues--)

#### Article 4 4.3

4. The following audit tests are similar in nature and lists containing possible inmate record discrepancies are prepared and forwarded to the jail prior to the auditor's arrival:
  - a. Possible ordinances recorded as misdemeanors
  - b. Possible duplicated record entries
  - c. Financial Adjustments not made tests
  - d. Prior Period Adjustments (Need Adjustment) not made test
  - e. Suspect Inmate Test
  - f. For items a through e, perform the following tests:
    - i. Compare the record source document data to LIDS data entered on the LIDS system for accuracy of entry.
    - ii. Identify and report unresolved discrepancies

#### 4.4.1 Scope of Audits

1. We will audit to either the end of the last audit period or the previous three (3) years, which ever is greater.
2. The frequency of the audit of each jail is dependent on the Performance Ratings each jail received in the previous audits. The goal is to complete audits as follows.
  - a. All facilities will be reviewed within 48 months of last audit
  - b. Unsatisfactory rating
    - i. Once every 6 months.

Compensation Board Auditors may conduct all or some of the above tests and may investigate other records as deemed necessary to determine the impact, if any, on the reimbursement request. Additionally, the samples may be expanded or decreased as the situation warrants.

## PART IV: PERFORMANCE RATING AND AUDITING REPORTING

### 5.1 Performance Rating Matrix

Rating	Annual Percent Of Claim Errors Dollars <sup>1</sup>	Missed Release Errors Percent <sup>2</sup>	Ordinance Recording Errors Percent <sup>3</sup>	Duplicated Commitment Errors Percent <sup>2</sup>	Unrecorded Commitment Errors Percent <sup>1</sup>	Late Certification Months <sup>4</sup>	Clerical Errors Percent <sup>3</sup>
Exceptional	=<1	<=1	<=3	<=1	<=1	-0-	<=4
Satisfactory	<=3	<=3	<=6	<=3	<=3	-2-	<=8
Adequate	<5	<=5	>9	<=5	<=5	-3-	>12
Unsatisfactory	>5	>5	>12	>5	>5	>4	>16

<sup>1</sup> The dollar value of reimbursement errors found divided by the annualized reimbursements for the audit period.

<sup>2</sup> The number of errors found divided by the number of commitments for the audit period.

<sup>3</sup> The number of errors found divided by the number of items sampled.

<sup>4</sup> Within the audit period.

When the tests of a location shows a mixture of clerical, reimbursement errors and/or internal control issues, the performance rating shall be designated taking into consideration the level of errors and internal controls noted throughout the audit period.

## PART IV: PERFORMANCE RATING AND AUDITING REPORTING

### Article 6 - Exit Conference and Report Distribution

#### 6.1 Findings and Recommendations

1. At the end of testing, an Audit Finding Worksheet will be prepared.
  - a. At that time the Jail contact person will be asked to review the findings with the auditor and agree or disagree with the findings.
2. The decision will be noted on the "Audit Finding Worksheet".
  - a. It is the purpose of this procedure to obtain agreement between the Jail contact person and the CB auditor concerning the facts presented in the body of each recommendation.
3. Upon resolution of the "Audit Finding Worksheet(s)", an exit conference will be scheduled with the Sheriff, Chief Jailer or other person designated by the Sheriff to act on his behalf.

#### 6.2 Summary of Findings

1. A Summary of Findings will be prepared showing a summary of the statistical and financial discrepancies found during the audit.
2. An "Overall Conclusion Section" showing each activity performance rating with an "Overall Rating" for the jail.

#### 6.3 Exit conference

1. The draft audit report will be discussed with the Jail staff prior to the exit conference.
2. At the exit conference a draft of the audit report and summary of findings will be reviewed with jail management or their designee.
  - a. An exit conference participation form will be completed.
    - i. The purpose of the form is show that the exit conference occurred.

### Article 7 - Issuance and Distribution of Report

#### 7.1 Report Issuance

1. It is customary to issue the report within 3 weeks following the audit to the Sheriff or Regional Jail Administrator.
2. A copy of the report will be sent to the City Manager, County Administrator, Chairman of the Regional Jail Board, Department of Corrections, and Compensation Board Management.

## PART IV: PERFORMANCE RATING AND AUDITING REPORTING (Continues--)

### 7.2 Close-out of the Audit

#### 1. Audit Action Plan Requested

- a. When an action plan is requested, the Sheriff or Regional Jail Administrator must respond in writing providing the action(s) to be taken by Jail staff to correct the deficiency noted in the finding section of the audit report.
  - i. Upon receipt of the action plan and acceptance of the actions noted therein, a follow-up audit would be planned to determine the effectiveness of the action taken.
  - ii. The follow up audit may include:
    1. A full audit since the last audit date
    2. A specific audit of just the finding issues noted in the previous audit.
    3. In some cases, a 100% file review may be required where a systemic problem has been found.
    4. Upon completion of the follow up audit and the acceptance of the verification of the action plan effectiveness, the audit file will be closed.

#### 2. No Action Plan Requested

- a. Audit is closed upon issuance of report.

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## APPENDIX A

### **Glossary**

The following words and terms when used in these guidelines have the following meanings unless the context clearly indicates otherwise:

“Administrative segregation of duties” means a separation of duties between the employee who inputs LIDS data, approves LIDS data, and Certifies LIDS monthly reimbursement requests.

“Chief Executive” - the elected or appointed individual who by law or position has the overall responsibility for the facility’s administration and operation.

“Detainee” - is someone who has been arrested but not committed to the jail by the magistrate or court.

“Inmate File” - used by the jail to hold all jail, magistrate and court(s) generated documents related to an inmate’s incarceration. The intent is to maintain in one place all documentation that supports the sheriff’s authorization to detain, incarcerate and release an individual.

“Local Charged Offender” - means an individual who has been charged under a local ordinance and who is not a state offender in accordance with §53.1-20 of the Code of Virginia.

“Process Only” - is a detainee that has been arrested, taken before the magistrate or court, and released on their own recognizance. The magistrate or court has not committed the detainee to jail.

“State Offender” - means an individual sentenced to a term of incarceration in accordance with Sections § 53.1-20, 53.1-20.1 of the Code of Virginia. This category also includes individuals awaiting trial or serving local time on state charges. For the purpose of Sections § 4.10 and § 4.11 relative to work release, educational release or rehabilitative release, a state offender should be defined in terms of the intake schedule pursuant to § 53.1. -20.

(See <http://leg1.state.va.us>)

## APPENDIX B

### **Accuracy of Payments and Data Integrity Tools**

#### Reconciliation of Inmate Activity headcount to local jail management system

Reconciliation's between the Jail's official record system(s) of inmate activity and LIDS monthly reimbursement request should be conducted with sufficient frequency to give the LIDS tech and management confidence that the activity is accuracy.

Some of the tools that must be used to complete this have been supplied and are available through the Main Menu Option 8 - "Reconciliation Tools".

1. "LIDS - Overall Head Count"
2. "Financial Count by Payment Category"
3. Frequency of LIDS Reconcilements
  - a. Weekly
  - b. Bi-weekly
  - c. Monthly

The reconciliations should show the following information :

1. Local beginning of month confined inmate headcount and per LIDS.
2. Local total number of inmates confined during the month and per LIDS.
3. Local total number of inmates released during the month and per LIDS.
4. Local end of month confined inmate count and per LIDS.
5. The differences between LIDS activity counts and the Local Jail System's activity count.
6. The reasons that caused the differences between the two to occur and resolution taken to fix the differences.

This information is supplied through the "Main Menu Option 8 - Reconciliation Tools", (1) - "LIDS – Overall Head Count" and (2) "Financial Count by Payment Category".

The first step in reconciling each head count is to supply LIDS with the beginning and ending date and time for the period. The range can be from - one day to one year or any period in between. The reconciler can request from LIDS, the detail, by inmate, that equals the category amount using the view/print options provided at the bottom of the screen. As a result, LIDS is providing to the user all information needed to reconcile to your Jails head count records at any day and time. (See Screen presentation for category definitions\*\*)

## APPENDIX B

### Reconciliation of Inmate Activity *(continues)*

The second requirement is the completion of a similar reconciliation related to the LIDS billed days by category. The same procedures used to complete the head count reconciliation. Option 2 of the “Reconciliation Tools” screen takes the user to the Financial Summary Screen by Payment Category for the period (Batch, day, week, etc.).

The second step with either the LIDS Head Count or Payment Category reconciliation is to, focus on 1 category at a time. The purpose would be to agree each category (number of days, inmates) t your jail’s (head count or payment category days) amount for the period you are reconciling (day, month or year). Any difference(s) between each should be explained and adjusted as needed.

It should be emphasized that when reconciling either Payment Category Days or Head count the officer needs to supply LIDS with the beginning and ending date and time for the period. The range can be from one day to one year or any period in between. The reconciler can request from LIDS, the detail, by inmate, that equals the category amount using the view/print options provided at the bottom of the screen. As a result, LIDS is providing to the user all information needed to reconcile to your Jails records at any day and time to LIDS.

For Batch Jails, we recommend that the head count reconciliation be completed after each batch up-load and a Financial Payment by Category reconciliation be completed every other week before the data is used for the bi-monthly “Tuesday Report”.

For On-line Jails, we recommend that the head count reconciliation be completed on an every other week basis along with a Financial Payment by Category reconciliation before the data is used for the bi-monthly “Tuesday Report”.

Review of LIDS Error Reports:

1. Weekly
2. Bi-weekly
3. Monthly

## APPENDIX B

### Reconciliation of Inmate Activity (continues)

#### Review of “Possible Errors” Report

This report can be found under the Forms Maintenance Menu – Off-line reports, queries and files (option “B”). The specific option for this report is “F”. Additionally, jails sending batch files to LIDS will receive this report as part of the download when their file submissions are error-free. This report lists possible integrity errors including:

1. Duplicate Data Entry
2. Ordinances recorded as Misdemeanors
3. Prior Period Adjustments
4. Suspect Inmates (inmates in a pre-trial status for more than 9 months)
5. Potential SSN Errors

#### Review of LIDS invoice for certification and approval.

1. Possible ordinances recorded as misdemeanors
2. Possible duplicated record entries
3. Financial Adjustments not made tests
4. Prior Period Adjustments (Need Adjustment) not made test
5. Suspect Inmate Test
6. For items a through e, perform the following tests:
  - a. Compare the record source document data to LIDS data entered on the LIDS system for accuracy of entry.
  - b. Identify and report unresolved discrepancies.

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